

Agency Wide

# Key Performance Measures Audit

## Internal Audit Report 14-201

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April 2014



Texas Department of Information Resources  
Austin, Texas

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Table of Contents

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Executive Summary ..... 1

Introduction..... 2

Objective, Scope, and Methodology of Work..... 2

Background..... 2

Section 1: Key Performance Measures ..... 3

    Issue 1.1 - .....4

## Executive Summary

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This report provides the details of the Key Performance Measures Audit of the Texas Department of Information Resources (DIR). This audit was part of the Fiscal Year 2014 Internal Audit Plan approved by the DIR Board. The purpose of the audit was to review the definition, methodology and calculations of DIR's key performance measures.

The methodology and scope of the audit covered reviewing process, calculations and supporting documentation for FY2014 second quarter key performance measures. The objective of the audit was to determine whether all key performance measures are defined, calculated, and reported into ABEST and identify trends or risk to assist management with decisions.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

DIR has 10 key performance measures, and we reviewed the definition, methodology and the calculation. We found that with the exception of one area the performance measures met the audit objective. This exception was:

- For key performance measure, "Total Contract Savings and Cost Avoidance Provided Through DIR Contracts," data supporting the results that were entered into ABEST were not retained and due to new activity and timing issues the report could not be replicated.

IA would like to thank the Chief Financial Office, Technology Planning, Policy & Governance and Technology Sourcing Office who assisted us during this audit.

## Introduction

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A review of DIR's Key Performance Measures was included in the 2014 audit plan that was approved by the DIR Board. DIR has 10 key performance measures that are submitted to the LBB on a quarterly or annual basis.

## Objective, Scope, and Methodology of Work

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The objective of the audit was to:

- Determine whether all key performance measures are defined, calculated, and reported into ABEST and identify trends or risk to assist management with decisions.

The methodology and scope of the audit covered reviewing processes, calculations and supporting documentation for FY2014 second quarter key performance measures.

## Background

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Key performance measures are included in the General Appropriations Act and are closely related to the goals identified in the statewide strategic plan and act as budget drivers.

Agencies report these performance measures by entering their information in the Automated Budget and Evaluation System of Texas (ABEST) which is maintained by the Legislative Budget Board (LBB). There are four types of measures, outcome (percentage), output (the number), efficiency, and explanatory/input measures. Agencies report quarterly performance data for key output and efficiency measures and annual performance data for key outcome and explanatory measures. Performance definitions should include enough information to be clearly understood with a detailed descriptions of calculations that can be easily duplicated.

## Section 1: Key Performance Measures

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DIR is responsible for reporting on 10 key performance measures. The table below shows the key performance measures, the measure type and the division responsible for the measure. There are three output (OP), four outcome (OC), and three efficiency (EF) measures.

	<b>DIR's Key Performance Measures</b>	
<b>Type</b>	<b>Measure</b>	<b>Division/Section</b>
EF	Average Cost Per Rule, Guideline, and Standard Produced	Technology Planning, Policy & Governance
OP	Total Contract Savings and Cost Avoidance Provided Through DIR Contracts.	Technology Sourcing Office
OC	Percent of Monthly Minimum Service Level Targets Achieved for Data Center Services	Data Center Services
OC	Percent of Customers Satisfied with Data Center Services Contract Management	Data Center Services
OC	Percentage of Customers Satisfied with CCTS	Communications Technology Services
OC	Percentage of Customers Satisfied with TEX-AN	Communications Technology Services
EF	Average Price Per Intrastate Minute on TEX-AN	Chief Financial Office
EF	Average Price Per Toll-Free Minute on TEX-AN	Chief Financial Office
OP	Number of State Agency Security Assessments Performed	Chief Information Security Office
OP	State Agency Participation in DIR Provided Security Training Offerings	Chief Information Security Office

IA reviewed the definition, the source or collection of the data, any data limitations, and the method of the calculation if applicable for all key measures and requested the supporting data for 2<sup>nd</sup> quarter measure results. Where applicable IA recalculated performance measure results using the supporting data independent of the original calculations. As stated earlier, performance measures are closely related to the goals identified in the statewide strategic plan and act as budget drivers. We found that, with the exception of one area, the performance measures met the audit objective.

**Issue 1.1**

The source data used for a performance measure should be kept to support the response and accurately replicate the calculation or conclusion submitted in ABEST. We requested the source data for “Total Contract Savings and Cost Avoidance Provided Through DIR Contracts”, and we were informed that it could not be provided because it is not kept. Due to timing and new activity, the information reported from the vendor changes and the same report used for the performance measure cannot be replicated. Therefore IA was not able to recalculate the results for this performance measure.

**Recommendation:**

We recommend that the supporting documentation used for all performance measure be retained as prescribed by the Texas State Library and Archives Commission. The retention schedule for performance measures are Fiscal Year End plus 3 years. This should include any spreadsheet calculations or other additional information developed in the process.

**Management Response:**

DIR will keep the source data used to calculate the referenced performance measure to support what is submitted in ABEST and enable what is reported to be replicated. The supporting documentation will be retained in accordance with the retention schedule for performance measures, which is currently Fiscal Year End plus three years.

**Responsible Party:** Mary Cheryl Dorwart

**Target Completion Date:** May 2014